

LIVE EXPERIMENTS IN SOCIOLOGY

AMONG the followers of Henry George in New York and vicinity considerable quiet interest has been roused this summer by the presence of J. A. Bellangee, who has been telling interesting things about the Fairhope single tax colony in Alabama, of which he is the financial agent. Fairhope, which lies just across the bay from Mobile, is the first and only single tax colony in the world. It has existed since 1896, and if it has not been heard of it is because it began very small and has been content to grow slowly and steadily throughout the seven years. The five families with which it started have increased to seventy-five, with a numerous quota of summer visitors from Mobile and winter visitors from the North in search of climatic changes.

Fairhope is probably the only existing specimen of a community seven years old owning its own water works, wharf and steamer without a penny of interest bearing debt or a foot of mortgaged land in the community.

The association at its inception started with the determination of either develop-

ing its colony without these customary adjuncts of prosperity or else going down in the attempt. By the terms of its constitution the association cannot contract any interest bearing debt, and the terms of its contract prevent any occupant of the land from putting a mortgage on his holding. So that although a number of industries are now located at Fairhope two lines of business are conspicuous by their absence—there is no real estate office and no money lender.

No Railroad Facilities.

The significance of this fact can only be understood by a comprehension of the way in which public utilities have been provided by the association. There are no railroad facilities in this region. All commercial and passenger service is with Mobile by boat. The first necessity was a wharf, in order that the daily boat service might touch at Fairhope. All around the bay there was not a village that owned its own wharf. All were owned by private capital, the earnings whereof went naturally into private pockets.

There was no private capital ready to build a wharf at Fairhope. The handful of settlers would have had to wait a long time for that. But even had there been, such ownership of public utility was contrary to the principles of the colonists. It was determined that the wharf should be built and owned by the colony.

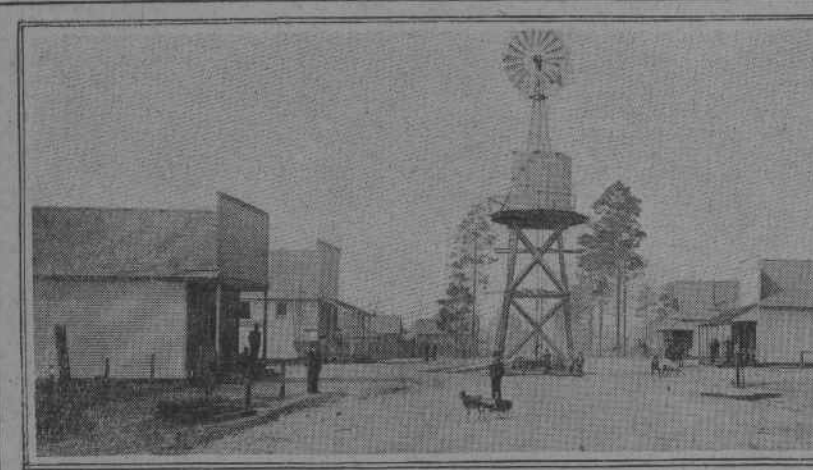
The first settlers were all men of moderate means. The colony was started with the \$200 apiece put in by five men as membership fees. No wealthy single taxer offered to build a wharf. In the emergency Mr. Bellangee suggested the application of the Guernsey market house plan. This is a scheme famous in all economic histories, but so far as known no one else has ever sought to reproduce the ingenious idea by which the Guernsey islanders built their market houses.

Wharf certificates were printed and issued by the Fairhope Association, stating on their face that they were good for a certain amount of wharf fees on the completion of the wharf. Having no money the association offered to pay this scrip for labor. Enough men were found willing to accept this scrip to furnish the labor required. Stereotypes of the colony, to whom the scrip would be the same as money upon the completion of the wharf, took it on its face value, so that it was good for groceries and other commodities to the workmen. With this scrip-paid labor

FAIRHOPE.
THE LITTLE
SINGLE TAX
TOWN OF
ALABAMA
AND
ITS
ENTER-
PRISES.



STEAMER FAIRHOPE BUILT BY THE COLONISTS



BUSINESS CENTRE OF FAIRHOPE, SHOWING THE WATER WORKS BUILT ON THE GUERNSEY MARKET HOUSE PLAN



HOME IN FAIRHOPE

THE FAIRHOPE PIER, BUILT ON THE GUERNSEY MARKET HOUSE PLAN

no wonder that Fairhopeans regard their simple scheme as something of an economic solution. Besides paying for itself and paying the wharfinger's salary the wharf has yielded enough to provide excellent public warehouses and facilities for handling freight.

Encouraged by the success of the pier the association adopted a similar plan, differing only in some details, for the construction of the windmill and tank which supplies free water to the village. There was at first a small water fee, but this has been discontinued. Distributing pipes are one of the plans for the near future. Lighting and telephone systems will come soon after. The colony gets these things slowly, but after it gets them it owns them, and without any debt.

System of Land Tenure.

The distinctive feature of the colony's policy is of course its system of land tenure. The association owns 1,200 acres of land, including the village site, on the beach, and running back to farm lands in the rear.

Not a foot of this land has been or will be sold. Holdings are rented on a 99-year lease. This eliminates land speculation from the first, there being no inducement to rent and hold land from which there is no opportunity to make a profit by selling when values have increased. A man who has improved his land may sell his improvements for anything he can get—the association has nothing to do with that—but he does not sell the land.

The association simply changes tenants. The rents are based on the advantages of location, and range from twenty cents an acre per year for farm lands in the rear to \$25 for business lots in the centre of the village. The effort made at all times is to so adjust the rents as to equalize the advantages of location.

Dissatisfaction and complaints have arisen at times, but the association has been able to meet them in such a way that the colony has grown, instead of going to pieces. From the rentals the association pays first all taxes of all tenants, except those on money and credits. The remainder is applied to the expense of conducting the colony and to furnish better roads, schools and all sorts of public service than the colony would otherwise get. So that, while each pays according to the advantages which he commands, each enjoys the benefits of the whole rental. In the current year the taxes will amount to

only one-third of the rentals, the other two-thirds being applied to public improvements. Private improvements are not taken into consideration at all in fixing the rents.

No Tax Bugbear.

"If a man is energetic and has an eye to comfort and beauty, we don't tax him for it," says Mr. Bellangee. "If he puts comfortable buildings on his lot, fixes up his house, plants vines and trees, makes a beautiful garden, we don't discourage him by raising his tax. We consider that the community has nothing to do with the results of individual effort."

"We take cognizance only of the value imparted to the site by location; that is, by the proximity of other people. So, if two men have equally good locations and one makes more money than the other, that is none of our business either. It is the result of individual qualities. And if a man lets his lot lie idle and unimproved we don't reduce his rental a half or a third, according to the ordinary custom of tax gatherers. He has to pay just as much for it as if he were getting full value out of it."

"As a consequence there are no lots held out of use in Fairhope. The compactness

with which the village is built up strikes any person familiar with the appearance of new towns in the West, in which miles of 'city lots' stretching over the prairies are held at fabulous prices. It has been estimated that the four cities of Tacoma, Seattle, Portland and Spokane Falls, with a combined population of four hundred and fifty thousand, include within their corporate limits enough city lots, if built up, to house the populations of London, Paris, Vienna and Berlin."

The prime advantage of Fairhope at present for the poor man seeking a home is that he has to pay nothing down for his land. This, combined with other advantages, has so influenced the land market in the vicinity that Mobile land speculators carefully steer their customers clear of Fairhope. Land in the immediate vicinity has dropped from ten to three dollars an acre since the founding of the colony, owing to the superior advantages of being on colony land. This is hailed by single taxers with joy, as the desired result of their system in discouraging land speculation and leaving the land open to the people.

A salient advantage in the development of the colony has been the steamer Fairhope. Wealthy single taxers in the North

loaned the money for this, to be repaid out of the earnings of the boat. The colony's own shipbuilders built the steamer, eighty-five by seventeen feet, of ninety-three tons, and it belongs to the association. It gives a direct and exclusive service between Fairhope and Mobile, gaining for the village an immense advantage over other towns on the bay.

Residents at other points can save time by driving to Fairhope to take the boat; the better service is an attraction to summer and winter sojourners, and that all brings business to Fairhope. The boat has been running less than two years. After she has paid for herself she will be a source of profit to the association.

Advantages of Fairhope.

Such advantages as Fairhope possesses over surrounding towns may reasonably be credited to its system of doing business. It owns its own pier, the only town on the bay to do so. It owns its own water system, a very unusual thing anywhere in so small a town. It has a school term of nine months, instead of three or four, like the surrounding towns. It owns a public building for lyceum and social purposes, which houses a free library of over 2,000 volumes. It has two commodious free public bath houses.

The construction of the boat having been assisted by friends probably should not be reckoned in, although this assistance was given solely because of the Fairhope policy, which insured the boat becoming a public utility.

Fairhope has a big programme of public improvement laid out, including provision for all sorts of open air amusements, particularly water sports.

Should the day ever come when no more public improvements are needed there would be an even rebate of rentals to every tenant. There would be no reduction of rents, as it is the principle of the single taxers to take the full rent value. But there would be an actual and equal distribution of cash, thus giving the man in the

poor location his share of the value of the good location, on the well known single tax principle that the land belongs equally to all and no person should be allowed to enjoy more of its value than another.

If it is asked why any private landlord could not have built up such a tenant community, Fairhopeans reply that it is because in that case all the profits which go to make Fairhope a pleasant place to live in would have gone into the landlord's pocket. It is a case of a community acting as its own landlord.

Not all colonists belong to the association. Half of them are not even single taxers. Members of the association must be single taxers and pay a \$100 membership fee, money accruing from this source going to the purchase of more land. Fairhope has never asked for a dollar for living expenses. Its only solicitation has been for capital to buy more land. Its original purchase is almost entirely under use and it wishes to extend its experiment on a larger scale.

Other experiments are in the course of making besides the basic one of single tax. The referendum is in operation by which matters passed upon by the council may be referred to a vote of the association in case of dissatisfaction. The imperative mandate furnishes an effectual means of "calling down" any unsatisfactory official whose retention may be made the subject of a special election on the demand of ten per cent of the members. On the other hand, every official is considered a candidate for re-election unless he declines to serve longer. All this for the purpose of discouraging party politics in local affairs.

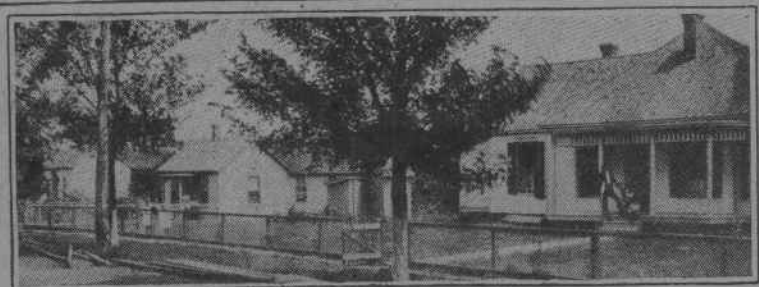
There is nothing to indicate a "colony" to the casual visitor to Fairhope. It seems like any other village at the same stage of development. Only by delving into the details of its business management can its true inwardness be discovered. Probably its policy of absolute non-interference with the private beliefs and affairs of its colonists is one secret of its success.

Prosperity and Profit Sharing in a Little Illinois Community.



MR. N. O. NELSON, MULTI-MILLIONAIRE

LE CLAIR, ILL.
WHERE THE MILLIONAIRE
MANUFACTURER SHARES
WITH HIS WORKMEN
AND DWELLS AMONG-
THEM



A PRETTY STREET IN THIS IDEAL TOWN

BUILDING AND GROUNDS WHERE CHILDREN OF THE TOWN REIGN SUPREME

THERE is a pretty little town in Illinois known as Le Claire, which should have on its municipal seal three P's, to stand for prosperity, peace and profit sharing, for on these words hang its story. It has for some time been successfully demonstrating the theory of equality between employer and employed in the benefits of a business.

This unique town is the outcome of an idea that the well known Missouri millionaire N. O. Nelson has been studying and enlarging on for some years.

The manufacturer has always taken an interest in his employees and their affairs, for he believes that in that way more progress is made in solving the problem of social betterment than in donating a costly library to one community, a fine church to another, a hospital to a third, and so on.

It was only a few years ago that Mr. Nelson began to put his scheme into operation. He had two hundred men in his works when he decided to adopt the profit sharing plan. Since then the business has grown to enormous proportions, and Le Claire now stands as one of the most progressive municipalities in the world.

Laid out in broad avenues and well planned grounds, with pretty vine clad houses and parks, it is an exceedingly attractive and homelike place. Even the factories, which are so often an eyesore, form one of the most attractive spots in Le Claire. There are four of them, and over their sombre walls vines have been carefully trained, which entirely cover the barren surface, while flower beds make the place appear like a botanical garden set about with green walls.

Everything that could be desired is found within the boundaries of Le Claire, and a more contented community could not be found. Mr. Nelson is well satisfied with the result of his work, and is now planning to leave the business to his employees, for he has lived and worked many years to this end, and his allotted three score years and ten are almost run.

"I have been repeatedly told by widely travelled social educators," he said the other day, "that my town is the greatest success on the basis of profit sharing that has ever been accomplished, but I know, more than they can tell me, or will ever know, that I have been able to perform a bigger task than that."

few years I was able to secure a tract of one hundred and twenty-five acres of land eighteen miles from St. Louis, in Illinois, and there I founded the village of Le Claire, naming it after the Parisian founder of profit sharing. I believed that better social conditions could be attained in the country by systematic co-operation, and I was quite sure that social betterment is the only legitimate object of business and work.

"I wanted to provide the best conditions for making a living and the best means of living. I built substantial, roomy, ventilated factories, with a dining room in each one and ample shower baths for the workers. One of my special requests is that my men keep clean."

"A kindergarten was set up and a school,

library and lecture course provided to foster intelligence. Bowling alleys, a billiard room, a baseball campus and dancing and music halls provided ample recreation after study and work. A suitable tract was laid out with winding streets and lots of one-third of an acre for dwellings, well planted with trees, and in the midst of the community was constructed a greenhouse for propagating flowers, and all this was put in charge of a landscape gardener. It was a City Beautiful indeed.

"Then I built small houses for my employees open to outsiders as well, as, in fact, are all Le Claire facilities, including its lots, its library, lectures and everything else. I and all of my family reside there and prefer it to any other place."

"Industrial education has always been a part of the plan, but only lately has it been started, and then in a small way. A four room school house, three residences, greenhouses and farm land have been set aside for its use. Two capable teachers are in charge.

"The pupils devote half the day to productive work and half to advanced studies. They have their choice of gardening, farming, house building, labor at the factories or apprenticeship in one of the several factory trades. The school is to have the full income of their work on the land and the regular pay for work done for the company. It is believed that this will yield

"Buildings, land and equipment are all provided from the outside, but the operating expenses will be met by good honest work, and the pick up jobs by which students work their way through college, often a pitiable makeshift; not by starvation, as a college president says of many university students, but by healthy, useful, intelligent and interesting work."

"To educate the hand and brain together has come to be the slogan of many of the foremost educators. It will influence the quality of workmanship and the character of workmen, as well as make the graduates themselves more capable for their part in the world's work. It will lead up toward art in all work; it will bring rugged and earnest young men to the front, and dispense with learned parasites and duds."

"I am doing all I can for my people before my opportunities for doing it are gone, and, moreover, I am fitting them to do much for themselves, so that when they no longer have me to depend upon, affairs



MR. NELSON'S HOME AND THE WORKMEN'S HUMBLER HOMES

the full necessary expenses of the school, including board.

"No charge is to be made to any student and he will not be allowed to pay in lieu of work, as all are to be on the same footing, regardless of their earnings. Work is a part of the curriculum, and the senior in a trade will have no advantage over a freshman, though the wages paid to the school for his work may be twice as much. It does not require any money to get an education."

will go on just as they have been going under my supervision."

All young men and women, who have a desire to work their way through college and who want a career hewn out for them need only apply to Mr. Nelson, who is always ready to help when help is needed. He gave several school houses at Le Claire to the non-sectarian church workers, at St. Louis, who will carry out his ideas of obtaining and educating poor students. None others will be received.